

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE ☒ WATER SANDS LOCATION INSPECTED ☒ SUB. REPORT/abd.

9/10/82/6 Oper. From FZ to Petro-X, well name from FZP #11-3, LA back to del. eff. 1-24-91.

LA'd per operator 10/82/90

DATE FILED 11-28-89

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO. U-03759

INDIAN

DRILLING APPROVED: 05-11-90 (CAUSE NO. 102-16B)

SPUDED IN:

COMPLETED: LA'd 10/82/90 ~~XXXXXXXXXXXX~~ 12-2-91 LA

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: ☒ LA'D PER BLM EFF 12-2-91

FIELD: GREATER CISCO

UNIT:

COUNTY: GRAND

WELL NO. ~~FZP #11-3~~ Petro-X 11-3

API NO. 43-019-31296

LOCATION 2240' FNL FT. FROM (N) (S) LINE 1120' FWL

FT. FROM (E) (W) LINE. SWNW

1/4 - 1/4 SEC. 11

TWP.

RGE.

SEC.

OPERATOR

TWP.

RGE.

SEC.

OPERATOR

Petro-X Corporation

21S

23E

11

FIRST ZONE PRODUCTION

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒ NOV 28 1989 DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☒

OTHER ☐

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

OIL, GAS & MINING

FIRST ZONE PRODUCTION, INC

3. ADDRESS OF OPERATOR

2225 East 4800 South, Suite 107, SLC, Ut 84117

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1120' FWL, 2240 FNL SWNW

At proposed prod. zone

SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

8 Miles Cisco, Utah 84515

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

400 ft

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

487 ft

16. NO. OF ACRES IN LEASE

1280

19. PROPOSED DEPTH

1300' MrsN

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40.00

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4458' GR

22. APPROX. DATE WORK WILL START*

as soon as approved

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8 3/4"	7"	23#	150'	Cemented to surface
6 1/4"	4 1/2"	9.5#	Total Depth	Cemented 400' above highest Hydrocarbon or water zone encountered during drilling

Operator will drill with compressed air and mist.
See Attached Site Plan, etc., as attachments to this APD.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE President

DATE November 22, 1989

(This space for Federal or State office use)

PERMIT NO.

43-019-31296

APPROVAL DATE

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

APPROVED BY

TITLE

DATE: 5-11-90

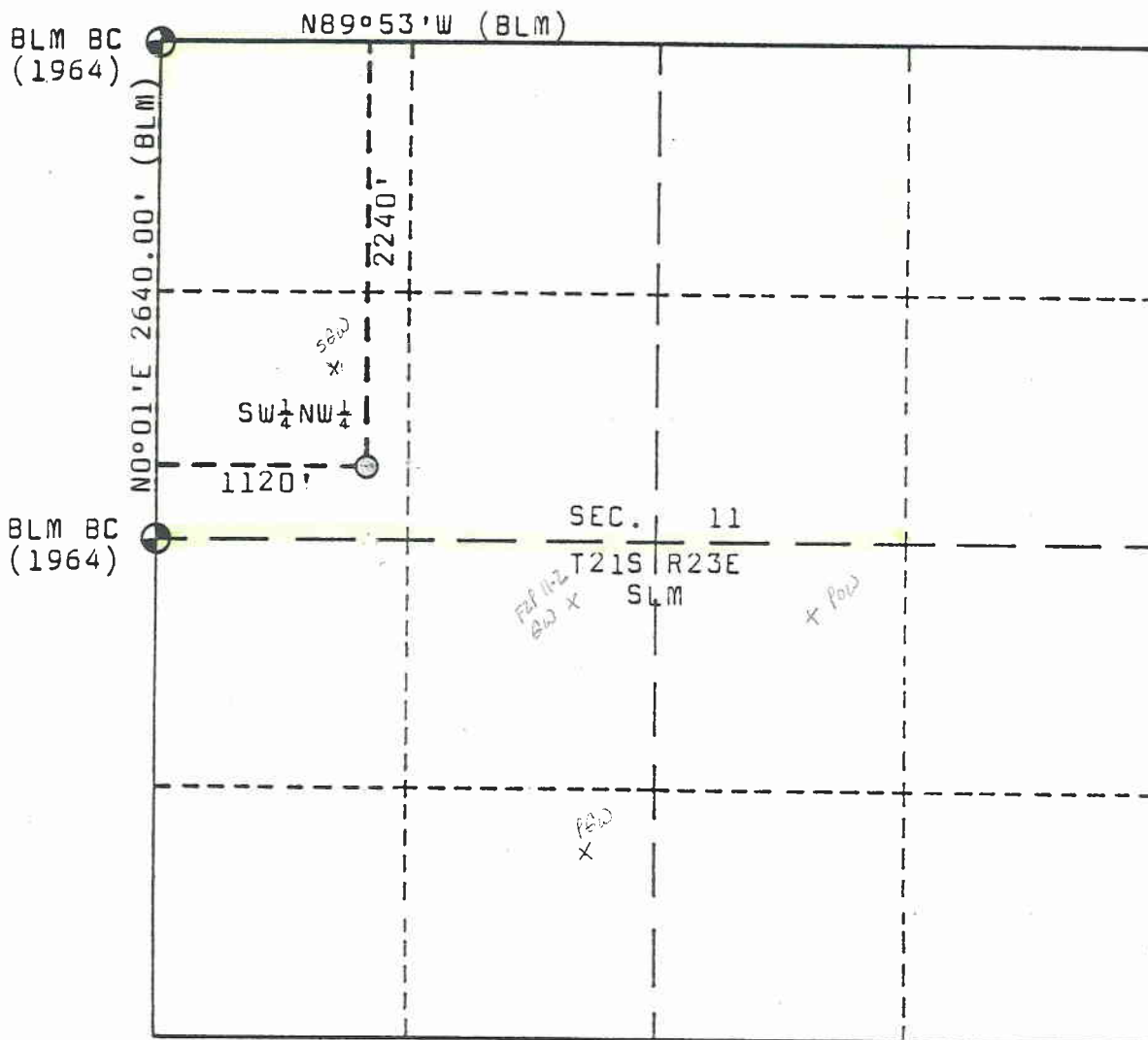
CONDITIONS OF APPROVAL, IF ANY:

BY: [Signature]

WELL SPACING: Cause No. 102-16B

*See Instructions On Reverse Side

U-03-59

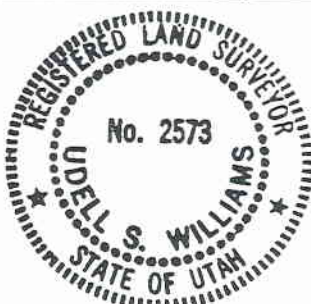


FZ 11-3

Located 2240 feet from the North line and 1120 feet from the West line of Section 11, T21S, R23E, SLM.

Elev. 4458

Grand County, Utah



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

Udell S. Williams
Utah RLS No. 2573



UDELL S. WILLIAMS

751 Rood Avenue
Grand Junction, Colorado 81501

PLAT OF
PROPOSED LOCATION

FZ 11-3
SW 1/4 NW 1/4 SECTION 11
T21S, R23E, SLM

SURVEYED BY: USW DATE: 11/16/89
DRAWN BY: USW DATE: 11/16/89

DRILLING APPLICATION

1. GEOLOGICAL NAME & SURFACE FORMATION:

MANCOS SHALE

2. & 3. GEOLOGIC TOPS AND FORMATION DEPTHS:

MANCOS SHALE: 720'
CRETACEOUS DAKOTA: 720-1050'
JURASSIC MORRISON: 1050 - 1100'
JURASSIC SALT WASH: 1100 - 1300

4. CASING PROGRAM:

7" SURFACE CASING 150', CEMENTED BACK TO THE SURFACE. J-55 CASING OR HIGHER GRADE TO BE USED. THE PRODUCTION CASING WILL 9.5 LBS 4 1/2", SET TO T.D., AND CEMENTED 400' ABOVE THE HIGHEST WATER OR HYDROCARBON ZONE ENCOUNTERED.

5. PRESSURE CONTROL EQUIPMENT:

OPERATOR INTENDS TO USE AN EIGHT INCH BORE HYDRILL BOP OR ITS EQUIVALENT, CAPABLE OF WITHSTANDING 3000 PSI. NO WELL IN THIS AREA HAS EXPERIENCED PRESSURE IN EXCESS OF 700 PSI.

6. DRILLING AND CIRCULATING MEDIUM:

OPERATOR INTENDS TO DRILL WITH COMPRESSED AIR TO TOTAL DEPTH. OPERATOR WILL MIST TO ELIMINATE THE DUST EMISSIONS. IN THE EVENT THAT IT IS NECESSARY TO USE MUD, A PRE-MIXED SALT WATER BASED POLYMER WILL BE USED. THIS MUD WILL BE WEIGHTED AS NECESSARY TO MAINTAIN WELL CONTROL. ANY DRILLING FLUIDS UTILIZED WILL BE REMOVED FROM THE SITE FOR DISPOSAL.

7. AUXILIARY EQUIPMENT:

a. KELLY COCK -- DEMLO. b. FLOATS AT THE BIT -- YES AND ON THE DRILL STRING. c. NO MONITORING EQUIPMENT WILL BE USED ON ANY MUD UTILIZED. THE DRILLER ON TOWER WILL BE RESPONSIBLE TO MONITOR THE MUD BY CHECKING THE VISCOSITY AND WEIGHT DURING HIS TOWER UNDER THE SUPERVISION OF THE SITE SUPERVISOR. d. A SUB WITH A FULL OPENING VALVE WILL BE AVAILABLE ON THE FLOOR. FILL AND KILL LINES WILL BE INSTALLED ON TOP OF THE SURFACE CASING, JUST BELOW THE BOP. A FULL OPENING VALVE WILL BE INSTALLED ON EACH OF THE FILL AND KILL LINES. e. A MANIFOLD CHOKE WILL BE INSTALLED ON ONE OF THE FILL AND KILL LINES.

PAGE 2
DRILLING APPLICATION

8. TESTING, LOGGING, AND CORING:

THE WELL WILL BE LOGGED UPON REACHING TOTAL DEPTH. AN
IES LOG WILL BE RUN. THE OPERATOR DOES NOT INTEND TO
CORE THE WELL. IN THE EVENT THAT THE WELL IS CASED AS
A POTENTIAL PRODUCER, A BOND LOG WILL BE RUN PRIOR TO
PERFORATION. SAMPLES WILL BE COLLECTED EVERY TEN FT.,
COMMENCING APPROXIMATELY 100' ABOVE THE FIRST
ANTICIPATED OIL OR GAS BEARING ZONE.

9. BOTTOM HOLE PRESSURES:

THE MAXIMUM BOTTOM HOLE PRESSURE IS ANTICIPATED TO BE
LESS THAN 700 PSI. THE OPERATOR IS PREPARED TO CONTROL
IN EXCESS OF 3000 PSI.

10. STARTING DATE:

AS SOON AS APPROVED OR AT THE CONVENIENCE OF THE
DRILLING CONTRACTOR.

DATED


NAME

TITLE

MULTIPOINT AND SURFACE USE PLAN

1. EXISTING ROADS AND PLANNED ACCESS:

A ROAD CURRENTLY EXISTS TO THE VUKASOVICH 22 OIL WELL. OPERATOR WILL CONTRACT A TEMPORARY ACCESS ROAD TO THIS NEW LOCATION FOR THE DRILLING OPERATION. IN THE EVENT COMMERCIAL PRODUCTION IS DEVELOPED, THIS ACCESS ROAD WILL BE UPGRADED.

2. LOCATION OF EXISTING WELLS:

THE CCCo-ADAK 11-1A OIL WELL IS APPROXIMATELY 2540' SSW THE VUKASOVICH 22 IS APPROXIMATELY 487' TO THE NORTH THE PROPOSED FZP 11-2 LOCATION IS 1320' TO THE SE. THE CCCo-OTHF 7-11 GAS WELL IS APPROXIMATELY 2500 FT SE

3. LOCATION OF EXISTING OR PROPOSED FACILITIES:

A NATURAL GAS GATHERING LINE IS APPROXIMATELY 300 FEET TO THE NORTHEAST. THIS GATHERING LINE IS ON LEASE. A SUNDRY NOTICE WILL BE PREPARED IF UTILIZED.

4. LOCATION AND TYPE OF WATER SUPPLY.

A TEMPORARY USE PERMIT FOR WATER FROM THE COLORADO RIVER HAS BEEN SECURED FROM THE STATE OF UTAH. THE WATER WILL BE TAKEN AT FISH FORD.

5. SOURCE OF CONSTRUCTION MATERIALS:

SOURCE MATERIALS WILL BE TAKEN FROM THE SITE. ANY GRAVEL WILL BE PURCHASED AND HAULED IN FROM COMMERCIAL SOURCES.

6. METHODS OF HANDLING WASTE DISPOSAL:

A. CUTTINGS: BURIED IN THE RESERVE PIT.

B. DRILLING FLUIDS: BURIED IN THE PIT OR HAULED TO THE COUNTY DISPOSAL POND, WEST OF CISCO.

C. PRODUCED FLUIDS: ANY OIL WILL BE SOLD IF SALVAGED OR BURNED IN THE PIT AND COVERED IF NOT SALEABLE. ANY WATER THAT DOES NOT EVAPORATE, WILL BE HAULED FROM THE SITE TO THE COUNTY DISPOSAL SITE, WEST OF CISCO.

D. SEWAGE: A PORTA POTTY WILL BE PLACED ON SITE.

PAGE 2
MULTIPOINT AND SURFACE USE PLAN

6. METHODS OF HANDLING WASTE DISPOSAL:

E. GARBAGE: BURNED AND BURIED IN THE RESERVE PIT. PAPERS WILL BE COLLECTED AND BURNED IN A WIRE BASKET (CAGE).

F. UPON THE COMPLETION OF THE PROPOSED WELL AS EITHER A DRY HOLE OR AS A COMMERCIAL WELL, THE ENTIRE SITE WILL BE CLEANED UP, SOIL WILL BE CONTOURED, SEEDS DRILLED INTO THE SITE AS DIRECTED. THE WELL HEAD WILL BE FENCED IF A COMMERCIAL WELL IS DEVELOPED, OR IN THE EVENT OF A DRY HOLE, A DRY HOLE MARKER WILL BE ERECTED TO MARK THE LOCATION.

7. AUXILIARY EQUIPMENT/FACILITIES:

DEPENDENT UPON THE DRILLING RESULTS, A SEPARATE APPLICATION FOR ON LEASE GATHERING LINES, STORAGE TANKS, ETC., WILL BE MADE WITH A SUNDRY NOTICE.

8. WELL LAYOUT AND DIAGRAM:

SEE ATTACHED WELL SITE PLAN.

9. PLANS FOR RESTORATION OF THE SURFACE:

THE SURFACE WILL BE RESTORED PURSUANT TO THE DIRECTIONS AND ADVICE OF THE GRAND RESOURCE AREA. ALL TOPSOIL WILL BE STACKED ON THE WELL SITE AND RE-DISTRIBUTED WHEN THE PROJECT IS COMPLETED AND ALL OF THE NECESSARY CONSTRUCTION IS OVER.

THE OPERATOR WILL RE-PLANT THE SEED MIXTURE RECOMMENDED BY THE BLM IN THE FALL OR EARLY SPRING TO INSURE THE BEST CHANCE FOR GERMINATION AND GROWTH.

10. OTHER INFORMATION:

N/A

11. LESSEE'S OR OPERATORS REPRESENTATIVE:

JEFF BROWN
P. O. BOX 182
FRUITA, CO 81521
303-858-3737 (HOME)
303-245-3660 (UNIT 463)

JAKE HAROUNY
2225 E. 4800 SO.
SUITE 107
SALT LAKE CITY, UT 84117
801-277-0801 (OFFICE)
801-278-9336 (HOME)

PAGE 3
MULTIPOINT AND SURFACE USE PLAN

12. CERTIFICATION:

I HEREBY VERIFY THAT I, OR PERSONS UNDER MY DIRECT SUPERVISION HAVE INSPECTED THE PROPOSED DRILL SITE AND ACCESS ROUTES: THAT STATEMENTS MADE IN THIS USE PLAN ARE, TO THE BEST OF MY KNOWLEDGE ARE CORRECT: THAT THE WORK WILL BE PERFORMED BY THE CONTRACTOR AND HIS SUBCONTRACTORS IN CONFORMITY WITH THIS PLAN AND THE TERMS AND CONDITIONS UNDER WHICH IT IS APPROVED.

DATE:


11/22/89

NAME:


JAKE HAROUNY, PRESIDENT

MAP ~~LEG~~END SHOWING ACCESS ROADS TO:

Established Routes 

New Roads to be Built 

LEASE OUTLINED 

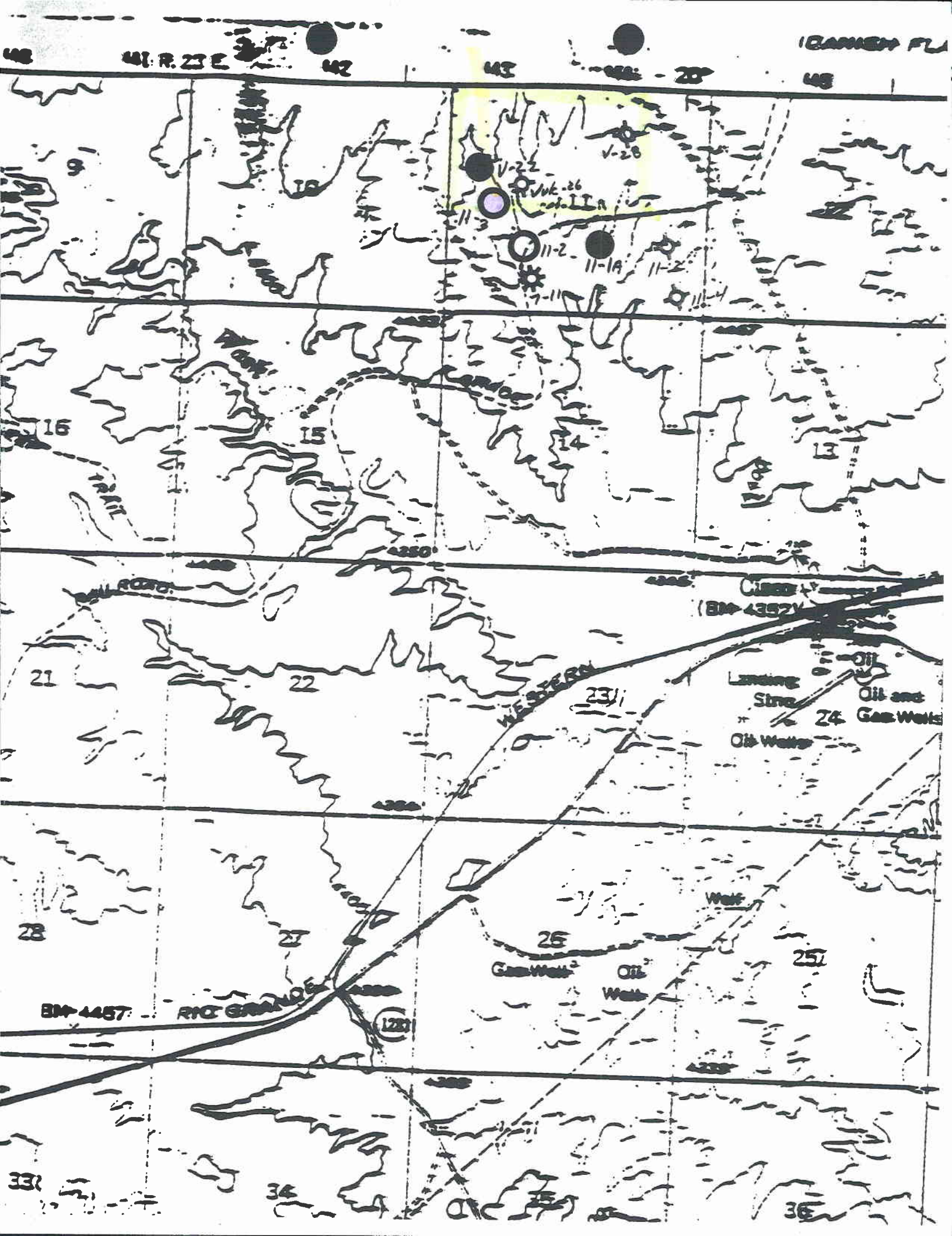
U-03759

LOCATION: 

OPERATING OIL WELL: 

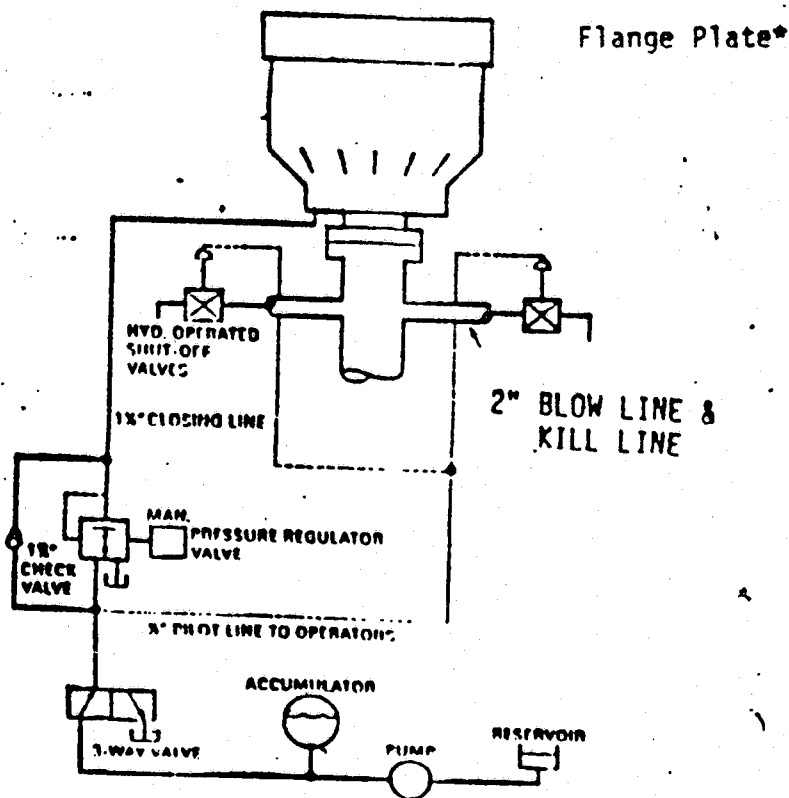
OPERATING GAS WELL: 

PLUGGED AND ABANDONED LOCATION: 



A GRANT ROTATING HEAD WILL BE BOLTED TO THE BOP FLANGE PLATE.*

A DISCHARGE LINE RUNS FROM THE ROTATING HEAD.



REGAN-TOROUS TYPE E-1 BOP

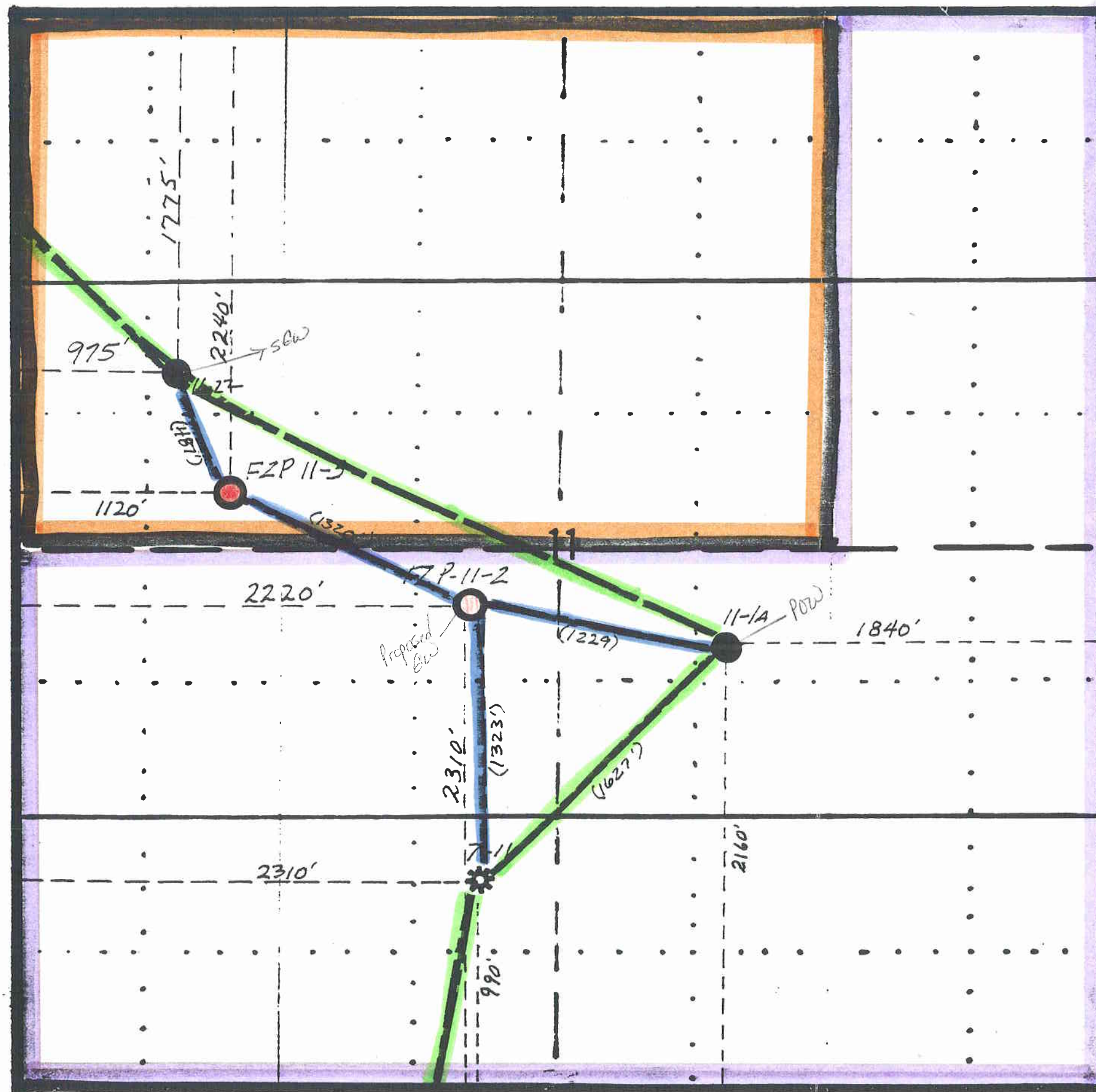
DRAWN S. J. H.

DESCRIPTION OF FACILITIES SECTION 11
TOWNSHIP 21 SOUTH, RANGE 23East
GRAND COUNTY, UTAH

PRODUCING OIL WELL ●
PRODUCING GAS WELL ⚙
GATHERING LINE ———
PROPOSED LOCATIONS ○
FIRST ZONE LEASE CC Co. / Unicorn Prod.
VUKASOVICH LEASE Arlene Lansdale

DISTANCE BETWEEN LOCATIONS:

11-1A to OTHF 7-11 1,627 feet
11-1A to FZP 11-2 1,229 feet
7-11 to FZP 11-2 1,323 feet
FZP 11-2 to FZP 11-3 1,320 feet
V-22 to FZP 11-3 487 FEET



DESIGNATION OF OPERATOR

DEC 1 9 1989

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: MOAB
SERIAL NO.: U-03759

F2P 11-3

and hereby designates

✓ NAME: FIRST ZONE PRODUCTION, INC.
ADDRESS: 2040 East 4800 South, Suite 115, Salt Lake City, Ut 84117

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

✓ TOWNSHIP 21. SOUTH, RANGE 23 EAST, SLM

Section 4: N/2. E2SE $\frac{1}{4}$ Section 11: NW $\frac{1}{4}$, W/2NE $\frac{1}{4}$
Section 5: N/2N/2 Section 14: NW $\frac{1}{4}$, N/2NE $\frac{1}{4}$
Section 9: N/2NW $\frac{1}{4}$, SW $\frac{1}{4}$
Section 10: NW $\frac{1}{4}$, W/2NE $\frac{1}{4}$

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

SECURITY PACIFIC NATIONAL BANK AS
RECEIVER/TRUSTEE FOR A. LANSDALE
account 16-5-09250-0

Vickie McDonald
Vickie McDonald, Vice President

Date: 1/27/89

P. O. Box 4382 Terminal Annex
Los Angeles, CA 90051

OPERATOR First Zone Production, Inc. (N3255) DATE 11-29-89

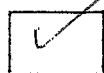
WELL NAME FZP 11-3

SEC SWNW 11 T 21S R 23E COUNTY Grand

43-019-31296
API NUMBER

Federal
TYPE OF LEASE

CHECK OFF:



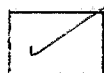
PLAT



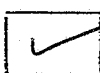
BOND



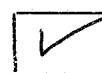
NEAREST
WELL



LEASE



FIELD



POTASH OR
OIL SHALE

PROCESSING COMMENTS:

Nearest well ok under Cause 102-16B (FZP 11-3 should complete as a OW, only 487'7
Need Water Permit from V-22 (SGW)

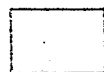
11-03759 100% Arlene Lansdale / Received Designation of Operator 12-19-89.

Exception to Cause No. 102-16B (Rule 2-2) requested 3-20-90.

Newspaper Agency Corp. Noticed on 4-17-90. Process 5-7-90.

APPROVAL LETTER:

SPACING:

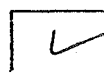


R615-2-3

N/A
UNIT



R615-3-2



102-16B 11-15-79
CAUSE NO. & DATE



R615-3-3

STIPULATIONS:

1. Water Permit

(U

RECEIVED

DEC 14 1989

8162-(U-065)
U-03759)
(U-16965)

Moab District
P. O. Box 970
Moab, Utah 84532

DIVISION OF
OIL, GAS & MINING

DEC -- 8

First Zone Production, Inc.
2225 East 4800 South, Suite 107
Salt Lake City, Utah 84117

Re: Applications for Permit to Drill
Wells No. FZP 11-2 and FZP 11-2
Sec. 11, T. 21 S., R. 23 E.
Grand County, Utah
Leases No. U-03759 and U-16965

Gentlemen:

The above referenced applications were received December 4, 1989. Your applications have been determined to be administratively inadequate. Approval to drill the above referenced wells is contingent upon submission of the following items for each application:

1. Self-Certification of Operator. (See enclosure)
2. Site Facilities Diagram
3. Choke Manifold Diagram
4. BOPE Diagram

According to regulation identified in Onshore Oil and Gas Order 1 (43 CFR 3160), if the deficiencies are not corrected and/or the additional required information is not submitted within 45 days, the applications shall be returned unapproved.

If you have any questions, please contact the Branch of Fluid Minerals at (801) 259-6111.

Sincerely,

/s/ Kenneth V. Rhea

District Manager

Enclosure

ACTING

cc: Grand Resource Area (w/o enclosure)
KJones:kj:12/7/89

RECEIVED
JAN 19 1990

Attachment 1

DIVISION OF
OIL, GAS & MINING

Be advised that FIRST ZONE PRODUCTION is considered to be the operator of well No. FZ 11-3, SW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 11, T. 21 S., R. 23 E., SLB&M, Lease # U-03759, GRAND County, Utah, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by Bond No. 40635.
(Principal FIRST ZONE) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.



FIRST ZONE PRODUCTION, INC.

RECEIVED
MAR 20 1990

DIVISION OF
OIL, GAS & MINING

MARCH 15, 1990

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL GAS AND MINING
355 WEST NORTH TEMPLE
3 TRIAD CENTER
SUITE 300
SALT LAKE CITY, UTAH 84180-1204

ATTN: LISHA ROMERO


RE: EXCEPTION TO THE WELL SITE LOCATION
FOR FZP 11-2 AND FZP 11-3 WELLS IN
SECTION 11, T21S, R23E, GRAND COUNTY, UTAH.

DEAR LISHA:

ENCLOSED, PLEASE FIND A REQUEST FOR THE EXCEPTION OF THE
LOCATIONS NEEDED IN THE GREATER CISCO FIELD, GRAND COUNTY, UTAH.

SHOULD YOU NEED ANY THING ELSE, PLEASE SO ADVISE.

SINCERELY,


JAKE HAROUNY
PRESIDENT

BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF AWARDING)
AN EXCEPTION TO FIELD RULE)
2-2, WHICH RULES ESTABLISHED)
WILDCAT WELL SPACING FOR THE)
GREATER CISCO FIELD, GRAND)
COUNTY, UTAH.)

ATTN: MS. LISHA ROMERO

FIRST ZONE PRODUCTION, INC., AN INDEPENDENT OIL AND GAS OPERATOR, REQUESTS AN EXCEPTION TO THE FIELD RULE 2-2, WHICH RULES ESTABLISHED WILDCAT WELL SPACING FOR THE GREATER CISCO FIELD, IN GRAND COUNTY, UTAH, TO ALLOW THE FOLLOWING EXCEPTIONS:

- A. PROPOSED WELL FZP 11-2, LOCATED 2220' FWL, AND 2310' FSL, SECTION 11, T21S, R23E, GRAND COUNTY, UTAH. THIS CITING PLACES THE WELL 330' FNL OF SW 1/4.
- B. PROPOSED WELL FZP 11-3, LOCATED 1120' FWL, AND 2240' FNL, SECTION 11, T21S, R23E, GRAND COUNTY, UTAH. THIS CITING PLACES THE WELL 400' FSL OF NW 1/4.

FIRST ZONE PRODUCTION, INC., CONTROLS AND/ OR HAS DESIGNATION OF OPERATOR TO DRILL ON BOTH LEASES.

DATED THIS 15TH DAY OF MARCH, 1990.

FIRST ZONE PRODUCTION, INC.
BY ITS PRESIDENT


JAKE HAROUNY

BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

---ooOoo---

IN THE MATTER OF THE APPLICATION
OF FIRST ZONE PRODUCTION, INC.
FOR ADMINISTRATIVE APPROVAL OF
AN EXCEPTION TO THE LOCATING
AND SITING REQUIREMENTS OF THE
ORDER IN CAUSE NO. 102-16B FOR
THE PROPOSED FZP 11-3 WELL
LOCATED IN SECTION 11, TOWNSHIP
21 SOUTH, RANGE 23 EAST, GRAND
COUNTY, UTAH

NOTICE OF INTENTION
OF AGENCY ACTION

REFERENCE NO. 31296

---ooOoo--

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED
MATTER.

Notice is hereby given that the Division is commencing an informal adjudicative proceeding to consider the application of First Zone Production, Inc. for administrative approval of an exception to the locating and siting requirements of the Order in Cause No. 102-16B dated November 15, 1979, for the FZP 11-3 well located in Section 11, Township 21 South, Range 23 East, Grand County, Utah. The proceeding will be conducted in accordance with the provisions of Rule R615-10, Administrative Procedures; Rule R615-3-3, Exception to Location and Siting of Wells; and with consideration of the Order in Cause No. 102-16B for the development of the Dakota, Morrison and Cedar Mountain formations which prescribes that all wells shall be located not less than 500 feet from any property or lease line and not less than 200 feet from the boundary of any legal subdivision comprising a governmental quarter-quarter section or equivalent lot or lots of comparable size and location, and not less than 400 feet from any oil well, or less than 1320 feet from any gas well, unless otherwise specifically authorized by the Board after notice of hearing.

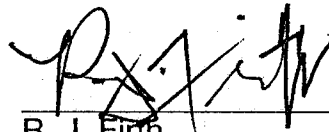
The applicant intends to drill the FZP 11-3 well to a proposed depth of 1,300 feet to test the Morrison formation. The well location, 2240 feet from the north line and 1120 feet from the west line of Section 11, Township 21 South, Range 23 East, Grand County, does not comply with the locating and siting requirements of the Order in Cause No. 102-16B with regard to a well being located 500 feet from any property or lease line.

Page 2
NOTICE OF INTENTION
OF AGENCY ACTION

Objections, if any, to the approval of the proposed exception, should state with particularity the reasons for the objection and be filed with the undersigned. In the absence of a written objection within fifteen days after publication of this notice from any person whose interests would be affected, the Division will issue an administrative approval of the requested exception.

DATED this 9th day of April, 1990.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

A handwritten signature in dark ink, appearing to read 'R. J. Firth', is written over a horizontal line.

R. J. Firth
Associate Director, Oil & Gas



Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

April 9, 1990

The Times Independent
P. O. Box 129
Moab, Utah 84532

Gentlemen:

RE: Notice of Intention of Agency Action - Reference No. 31296

Enclosed is a Notice of Intention of Agency Action.

It is requested that this notice be published ONCE ONLY, as soon as possible. Upon completion of this request, please send proof of publication and statement of cost to the Division of Oil, Gas and Mining, 355 West North Temple, Suite 350, Salt Lake City, Utah 84180-1203.

Sincerely,

A handwritten signature in cursive script that reads "Lisha Romero".

Lisha Romero
Administrative Analyst

WE14/20
cc: R. J. Firth
Enclosure

Mailing List For Notice of Intention of Agency Action - Reference No. 31296

Arlene Lansdale
~~P. O. Box 720~~
~~Garden Grove, California 92658~~

4-23-90 *Lansdale Estate*
% Chris Kozaites - Trustee
P.O. Box 27
Seal Beach, CA 90740
(213) 498-3349

CC Co.
2225 East 4800 South, Suite 107
Salt Lake City, Utah 84117

Unicon Producing Co.
P. O. Box 2120
Houston, Texas 77252

Lisha Romero
Lisha Romero
Administrative Analyst
April 9, 1990



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

April 9, 1990

Newspaper Agency Corporation
Legal Advertising
157 Regent Street
Salt Lake City, Utah 84110

Gentlemen:

RE: Notice of Intention of Agency Action - Reference No. 31296

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It is requested that this notice be published ONCE ONLY, as soon as possible. Upon completion of this request, please send proof of publication and statement of cost to the Division of Oil, Gas and Mining, 355 West North Temple, Suite 350, Salt Lake City, Utah 84180-1203.

Sincerely,

Lisha Romero
Administrative Analyst

WE14/21
cc: R. J. Firth
Enclosure

NOTICE OF AGENCY ACTION
REFERENCE NO. 34296

BEFORE THE DIVISION OF OIL,
GAS AND MINING

DEPARTMENT OF NATURAL

RESOURCES, STATE OF UTAH

IN THE MATTER OF THE APPLICATION OF FIRST ZONE PRODUCTION, INC. FOR ADMINISTRATIVE APPROVAL OF AN EXCEPTION TO THE LOCATING AND SITING REQUIREMENTS OF THE ORDER IN CAUSE NO. 102-16B FOR THE PROPOSED FZP 11-3 WELL LOCATED IN SECTION 11, TOWNSHIP 21 SOUTH, RANGE 23 EAST, GRAND COUNTY, UTAH

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

Notice is hereby given that the Division is commencing an informal adjudicative proceeding to consider the application of First Zone Production, Inc. for administrative approval of an exception to the locating and siting requirements of the Order in Cause No. 102-16B dated November 15, 1979, for the FZP 11-3 well located in Section 11, Township 21 South, Range 23 East, Grand County, Utah. The proceeding will be conducted in accordance with the provisions of Rule R615-10, Administrative Procedures; Rule R615-3-3, Exception to Location and Siting of Wells; and with consideration of the Order in Cause No. 102-16B for the development of the Dakota, Morrison and Cedar Mountain formations which prescribes that all wells shall be located not less than 500 feet from any property or lease line and not less than 200 feet from the boundary of any legal subdivision comprising a governmental quarter-quarter section or equivalent lot or lots of comparable size and location, and not less than 400 feet from any oil well, or less than 1320 feet from any gas well, unless otherwise specifically authorized by the Board after notice of hearing.

The applicant intends to drill the FZP 11-3 well to a proposed depth of 1,300 feet to test the Morrison formation. The well location, 2240 feet from the north line and 1120 feet from the west line of Section 11, Township 21 South, Range 23 East, Grand County, does not comply with the locating and siting requirements of the Order in Cause No. 102-16B with regard to a well being located 500 feet from any property or lease line.

Objections, if any, to the approval of the proposed exception, should state with particularity the reasons for the objection and be filed with the undersigned. In the absence of a written objection within fifteen days after publication of this notice from any person whose interests would be affected, the Division will issue an administrative approval of requested exception.

DATED this 9th day of April, 1990.

STATE OF UTAH
DIVISION OF OIL, GAS AND

MINING

/s/ R. J. Firth

Associate Director, Oil and Gas

4D820080

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BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF ADOPTING AMEND-)
MENTS TO FIELD RULE 1-2 AND 2-2,)
CAUSE NO. 2, NO. 102-5, AND NO.)
102-16, WHICH RULES ESTABLISHED)
WILDCAT WELL SPACING FOR THE)
SEIBER-CISCO NOSE AREA, GRAND)
COUNTY, UTAH)

FINDINGS AND ORDER

CAUSE NO. 102-16B

This cause came on for hearing before the Board of Oil, Gas and Mining at 10:00 a.m. on Wednesday, September 26, 1979, in the executive Conference Room, Holiday Inn, 1659 West North Temple, Salt Lake City, Utah.

The following Board Members were present:

Charles R. Henderson, Chairman
John L. Bell, Member
Edward T. Beck, Member
Thadis W. Box, Member
Constance K. Lundberg, Member
C. Ray Juvelin, Member
E. Steele McIntyre, Member

Appearances were made as follows:

James Bowers
Damon Gilland
Dean Christensen
Don Quigley

NOW, THEREFORE, the Board having heard the testimony of the witnesses and having considered the evidence and being advised in the premises, now makes and orders the following:

FINDINGS

1. That due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law.
2. That the Board has jurisdiction over the matter covered by said application and over all parties interested therein and has jurisdiction to make and promulgate the order hereinafter set forth.
3. That the Dakota, Morrison and Cedar Mountain Formations underly the area under consideration.
4. That the sands of the Dakota, Morrison and Cedar Mountain Formations are lenticular in nature.

102-16B

5. That most, if not all, of the operators in the area are of the opinion that it is not economically feasible to drill wells on the 40 acre or 640 acre wildcat spacing pattern as provided for in Rule C-3, General Rules and Regulations and Rules of Practice and Procedure.

6. That there is unanimity among the operators with respect to the suggested amendments to Field Rule 2-2.

IT IS THEREFORE ORDERED:

ORDER

1. That the Board's order in Cause No. 2, Cause No. 102-5, and Cause No. 102-16 is hereby revised as follows:

Field Rule 1-2 reads:

The spacing of all wells drilled for oil or gas which are within the following described area--to wit:

Township 18 South, Range 25 East
Sec: 25 through 36

Township 18 South, Range 26 East
Sec: 29 through 32

Township 19 South, Range 23 East
Sec: 19 through 36

Township 19 South, Range 24 East
Sec: All

Township 19 South, Range 25 East
Sec: All

Township 19 South, Range 26 East
Sec: 5 through 8

Township 20 South, Range 21 East
Sec: All

Township 20 South, Range 22 East
Sec: All

Township 20 South, Range 23 East
Sec: All

Township 20 South, Range 24 East
Sec: All

Township 20 South, Range 25 East
Sec: All

Township 21 South, Range 22 East
Sec: 1 through 12

Township 21 South, Range 23 East
Sec: All

Township 21 South, Range 24 East
Sec: All

and are not within a pool for which drilling units have been established shall be governed by Field Rule 2-2.

✓ Field Rule 2-2 is amended to read:

"All wells drilled for the discovery of oil and/or gas which are not within a pool, reservoir, or field for which drilling units have been established or for which a petition for establishment of a drilling unit has been filed, shall be located not less than 500 feet from any property or lease line and not less than 200 feet from the boundary of any legal subdivision comprising a governmental quarter-quarter section or equivalent lot or lots of comparable size and location, and not less than 400 feet from any oil well, or less than 1320 feet from any gas well, unless otherwise specifically authorized by the Board after notice of hearing.

Whenever an exception is granted by the Board, the Board may, at any time thereafter, take such action as will offset any advantage which the person securing the exception may obtain over the other producers in the area covered by Field Rule 1-2."

✓ All previously drilled wells and all wells drilled in the future which:

- a. are less than 660 feet from the lease or property line and are classified as gas wells or
- b. are less than 200 feet from the lease or property line and are classified as oil wells

may be offset, the same distance from the property line, or a drilling unit may be established for said well if the Board of Oil, Gas and Mining, finds, after notice and a hearing that correlative rights are being violated.


* All notices of Intention of Drill must be accompanied by a plat on which is outlined the acreage covered by the lease on which the well is to be drilled.

✓ Rule 1-2 and Rule 2-2 are only applicable to wells drilled or to be drilled to a depth of 3500 feet or less.

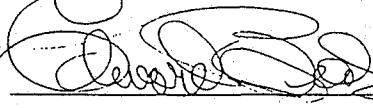
2. That the board retains continuing jurisdiction over all matters covered by this order and particularly to make further orders as may be necessary under conditions and circumstances developed in the future.

ENTERED this 15th day of November, 1979.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Charles R. Henderson, Chairman

John L. Bell, Member


Edward T. Beck, Member



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

May 11, 1990

First Zone Production, Inc.
2225 East 4800 South, Suite 107
Salt Lake City, Utah 84117

Gentlemen:

Re: FZP #11-3 - SW NW Sec. 11, T. 21S, R. 23E - Grand County, Utah
2240' FNL, 1120' FWL

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 102-16B dated November 15, 1979, subject to the following stipulation:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.


In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-019-31296.

Sincerely,


for R. J. Firth
Associate Director, Oil & Gas

lcr
Enclosures
cc: Bureau of Land Management
J. L. Thompson
WE14/14-15

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☒

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

FIRST ZONE PRODUCTION, INC

3. ADDRESS OF OPERATOR

2225 East 4800 South, Suite 107, SLC, Ut 84117

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1120' FWL, 2240 FNL

At proposed prod. zone

SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

8 Miles Cisco, Utah 84515

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

400 ft

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

487 ft

16. NO. OF ACRES IN LEASE

1280

19. PROPOSED DEPTH

1300'

17. NO. OF ACRES ASSIGNED

TO THIS WELL

40.00

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4458' GR

22. APPROX. DATE WORK WILL START*

as soon as approved

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8 3/4"	7"	23#	150'	Cemented to surface
6 1/4"	4 1/2"	9.5#	Total Depth	Cemented 400' above highest Hydrocarbon or water zone encountered during drilling

Operator will drill with compressed air and mist.
See Attached Site Plan, etc., as attachments to this APD.

RECEIVED
MAY 16 1990

DIVISION OF
OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE President

DATE November 22, 1989

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Assistant District Manager

APPROVED BY

151 William C. Stringer

TITLE

for Minerals

DATE

MAY 11 1990

CONDITIONS OF APPROVAL, IF ANY:

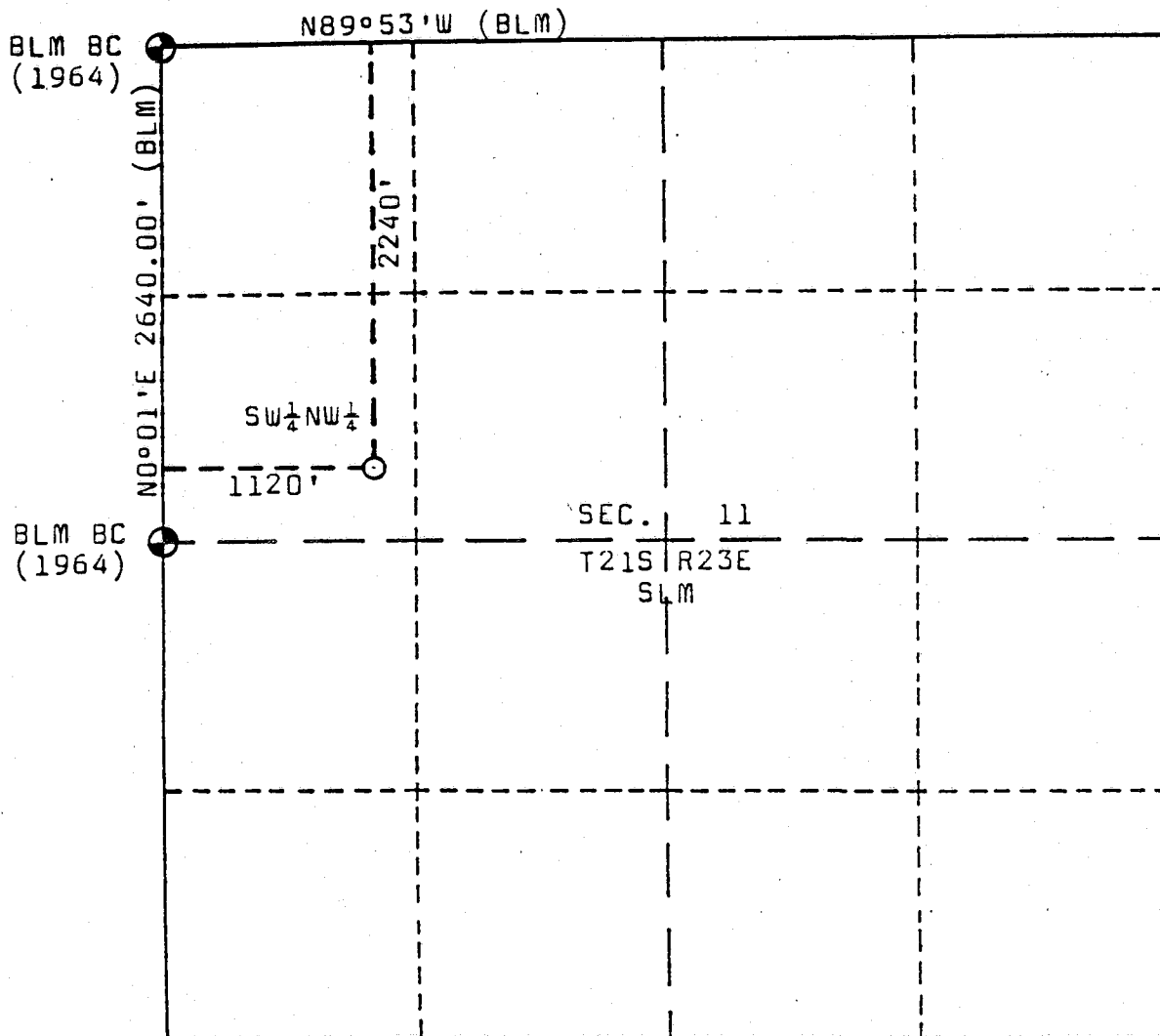
CONDITIONS OF APPROVAL ATTACHED

*See Instructions On Reverse Side

FLARING OR VENTING OF
GAS IS SUBJECT TO NTL 4-A
Dated 1/1/80

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

11-03759



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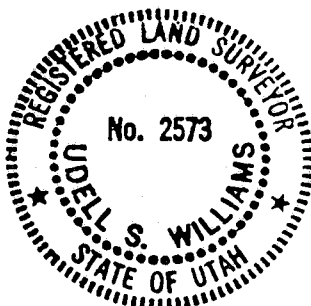
SCALE: 1" = 1000'

FZ 11-3

Located 2240 feet from the North line and 1120 feet from the West line of Section 11, T21S, R23E, SLM.

Elev. 4458

Grand County, Utah



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

Udell S. Williams
Utah RLS No. 2573



UDELL S. WILLIAMS
751 Rood Avenue
Grand Junction, Colorado 81501

PLAT OF
PROPOSED LOCATION

FZ 11-3
SW 1/4 NW 1/4 SECTION 11
T21S, R23E, SLM

SURVEYED BY: USW DATE: 11/16/89
DRAWN BY: USW DATE: 11/16/89

Attachment 1

Be advised that FIRST ZONE PRODUCTION is considered to be the operator of well No. FZ 11-3, SW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 11, T. 21 S., R. 23 E., SLB&M, Lease # U-03759, GRAND County, Utah, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by Bond No. 40635. (Principal FIRST ZONE) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

First Zone Production, Inc.
Well No. FZP 11-3
SWNW, Sec. 11, T. 21 S., R. 23 E.
Grand County, Utah
Lease U-03759

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that First Zone Production, Inc. is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by Bond No. UT0635, Personal Bond in lieu of Statewide Oil and Gas Bond in the amount of \$25,000 (Obligor - First Zone Production, Inc.) via consent as provided for in 43 CFR 3104.1.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

A. DRILLING PROGRAM

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, Onshore Oil and Gas Order No. 2, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to the field representative to insure compliance.

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth, cased, and cemented. All oil and gas shows will be tested to determine commercial potential.

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

B. SURFACE USE PROGRAM

The operator will contact the Grand Resource Area at (801) 259-8193, forty-eight (48) hours prior to beginning any dirt work on this location.

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed will be approved by the Area Manager in advance.

Topsoil will be windrowed on the Eastern edge of the pad alongside the wash thus preventing any contaminants from entering the wash.

A two tracked road will be allowed with little blading at this time because of the severe lack of moisture in the soil. When moisture has returned and production verified, the access will be upgraded to the Bureaus' class III standards.

Produced waste water will be confined to an (unlined) pit for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

The operator or his contractor will notify the Grand Resource Area at (801) 259-8193 forty-eight (48) hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.

B. Additional Requirements According To Onshore Oil and Gas Order No. 2

- 2000 psi BOP & BOPE:

Annular preventer, or double rams, or two rams with one being blind and one being a pipe ram

Kill line (2 inch minimum)

1 kill line valve (2 inch minimum)

1 choke line valve

2 chokes

Upper kelly cock valve with handle available

Safety valve and subs to fit all drill strings in use

Pressure gauge on choke manifold

2 inch minimum choke line

Fill-up line above the uppermost preventer

- If repair or replacement of the BOPE is required after testing, this work shall be performed prior to drilling out the casing shoe.
- When the BOPE cannot function to secure the hole, the hole shall be secured using cement, retrievable packer or bridge plug packer, bridge plug or other acceptable approved methods to assure safe well conditions.

- Choke Manifold Equipment:

All choke lines shall be straight lines unless turns use tee blocks or are targeted with running tees, and shall be anchored to prevent whip and reduce vibration.

All valves (except chokes) in the kill line, choke manifold and choke line shall be a type that does not restrict the flow (full opening) and that allows a straight through flow.

Pressure gauges in the well control system shall be a type designed for drilling fluid service.

- 2000 psi system - Accumulator Equipment:

Accumulator shall have sufficient capacity to close all BOP's and retain 200 psi above precharge. Nitrogen bottles that meet manufacturer's specifications may be used as the backup to the required independent power source.

Accumulator precharge pressure test: This test shall be conducted prior to connecting the closing unit to the BOP stack and at least once every 6 months.

Power for the closing unit pumps shall be available to the unit at all times so that the pumps shall automatically start when the closing unit manifold pressure has decreased to a pre-set level.

Each BOP closing unit shall be equipped with sufficient number and sizes of pumps so that, with the accumulator system isolated from service, the pumps shall be capable of opening the hydraulically-operated gate valve (if so equipped), plus closing the annular preventer on the smallest size drill pipe to be used within 2 minutes, and obtain a minimum of 200 psi. above specified accumulator precharge pressure.

A manual locking device (i.e., hand wheels) or automatic locking devices shall be installed on all systems of 2M or greater. A valve shall be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative.

- BOP Testing:

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing if BOP is not isolated from casing. Pressure tests on ram type preventers shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed off of pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test of BOP stack.

Annular BOP pressure tests shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above tests shall be performed:

- **When initially installed;
- **Whenever any seal subject to test pressure is broken;
- **Following related repairs; and
- **At 30 day intervals.

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s), the check valve shall be held open or the ball removed.

Pipe and blind rams shall be activated each trip, however this function need not be performed more than once a day

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log.

- Casing and Cementing:

All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

All casing, except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.

The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.

All of the above described tests shall be recorded in the drilling log.

All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

Surface casing shall have centralizers on at least the bottom three joints depending on the severity of hole inclination.

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method., etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.

All casing strings below the conductor shall be pressure tested to 0.22 psi/ft. of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

- Mud Program Requirements:

The characteristics, use and testing of drilling mud and the implementation of related drilling procedures shall be designed to prevent the loss of well control. Sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring well control.

- Record slow pump speed on daily drilling report after mudding up.
- Visual mud monitoring equipment shall be in place to detect volume changes indicating loss or gain of circulating fluid volume.
- A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.
- All flare systems shall be designed to gather and burn all gas. The flare line(s) discharge shall be located not less than 100 feet from the well head, having straight lines unless turns are targeted with running tees, and shall be positioned downwind of the prevailing wind direction and shall be anchored. The flare system shall have an effective method for ignition. Where non-combustible gas is likely or expected to be vented, the system shall be provided supplemental fuel for ignition and to maintain a continuous flare.

- Drill Stem Testing Requirements:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

- A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions, or displaced into the formation prior to pulling the test tool. This would involve providing some means for reverse circulation.
- Separation equipment required for the anticipated recovery shall be properly installed before a test starts.
- All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- Special Drilling Operations:

In addition to the equipment already specified elsewhere in Onshore Order No. 2 , the following equipment shall be in place and operational during air/gas drilling:

- Properly lubricated and maintained rotating head;
- Spark arresters on engines or water cooled exhaust;
- Blooie line discharge 100 feet from well bore and securely anchored;
- Straight run on blooie line unless otherwise approved;
- Deduster equipment;
- All cuttings and circulating medium shall be directed into a reserve or blooie pit;
- Float valve above bit;
- Automatic igniter or continuous pilot light on the blooie line;
- Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the well bore;
- Mud circulating equipment, water, and mud materials (does not have to be premixed) sufficient to maintain the capacity of the hole and circulating tanks or pits.

C. Anticipated Starting Dates and Notifications of Operations.

Required verbal notifications are summarized in Table 1, attached. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty-four (24) hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.

Should the well be successfully completed for production, the District Manager will be notified when the well is placed in producing status. Such notification will be sent by telegram or other written communication, not later than five (5) business days following the date on which the well is placed on production.

If a replacement rig is needed for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed for prior approval from the District Office, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations, verbal approval to bring on a replacement rig will be approved through the District Office.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The Resource Area Office will coordinate the field conference.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Manager within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6.

The following minimum information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch:

"Fed" or "Ind", as applicable; "Well number, location by $\frac{1}{4}$ $\frac{1}{4}$ section, township and range"; "Lease number".

TABLE 1

NOTIFICATIONS

Notify Jeff Robbins of the Grand Resource Area, at (801) 259-8193 for the following:

2 days prior to commencement of dirt work, construction, or reclamation;

1 day prior to spudding;

1 day prior to running and cementing surface casing;

1 day prior to pressure testing of surface casing.

Notify the Moab District Office, Branch of Fluid Minerals, at (801) 259-6111 for the following:

No well abandonment operations will be commenced without the prior approval of the District Manager. In the case of newly drilled dry holes, and emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed:

Dale Manchester, Petroleum Engineer Office Phone: (801) 259-6111

Home Phone: (801) 259-6239

Eric Jones, Petroleum Engineer Office Phone: (801) 259-6111

Home Phone: (801) 259-2214

If unable to reach the above individuals, including weekends, holidays, or after hours, please call the following:

Lynn Jackson, Office Phone: (801) 259-6111

Chief, Branch of Fluid Minerals

Home Phone: (801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS.



FIRST ZONE PRODUCTION, INC.

RECEIVED
OCT 11 1990

DIVISION OF
OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, & MINING
355 WEST NORTH TEMPLE
3 TRIAD CENTER, SUITE 350
SALT LAKE CITY, UTAH 84180-1203

OCTOBER 4, 1990

RE: DRILLING APPLICATION
API# 43-019-31296
FZP #11-3-SWNW SEC 11, T21S, R23E
GRAND COUNTY, UTAH

GENTLEMEN:

YOUR OFFICE IS HERewith GIVEN NOTICE THAT OUR APPLICATION TO
DRILL THIS LOCATION IS HERewith ABANDONED.

DUE TO A CHANGE IN THE MANAGEMENT OF FIRST ZONE PRODUCTION,
INC., AND A CHANGE IN THE STATUS OF THE GOVERNING CONTRACT FOR THIS
ACREAGE HAS DICTATED THIS ABANDONMENT.

ALL PREVIOUS AGREEMENTS BETWEEN THE ADJACENT LESSEE'S ARE
HERewith ABROGATED AND THEY NO LONGER AGREE TO THE LOCATION AND ANY
VARIANCES THAT THEY PREVIOUSLY AGREED TO.

A SPECIFIC AGREEMENT BETWEEN CCCO AND VUKASOVICH DRILLING
PRECLUDES ANY LOCATION ON VUKASOVICH DRILLING LEASES IN SECTION 11,
T21S, R23E, FROM BEING ANY CLOSER THAN 660' TO THE LEASE LINE. THE
EARLIER AGREEMENT TO TEMPORARILY SET THIS AGREEMENT ASIDE FOR THIS
LOCATION IS SPECIFICALLY REVOKED BETWEEN THE PARTIES.

SINCERELY,

FIRST ZONE PRODUCTION, INC.

BY:

Dean H. Christensen
DEAN H. CHRISTENSEN
MANAGER

CC: ERIC OLSEN, ESQ
ATTORNEY FOR VUKASOVICH DRILLING

*ONE
need LA
letter
DTS*



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangert
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

October 22, 1990

Mr. Dean Christensen
First Zone Production, Inc.
2225 East 4800 South, Suite 107
Salt Lake City, Utah 84117

Dear Mr. Christensen:

Re: FZP #11-3, Sec. 11, T. 21S, R. 23E, Grand County, Utah, API No. 43-019-31296

Per your request, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

Don Staley
Administrative Supervisor
Oil and Gas

DME/lde
cc: R.J. Firth
BLM - Moab
Well file

WO1139

Moab District
P. O. Box 970
Moab, Utah 84532

JAN 24 1991

3162
(U-03759*FZP)
(U-15962A)
(U-19037)
(U-20563A)
(U-22683)
(U-31262)
(U-31738)
(U-39499*FZP)
(U-42223*FZP)
(U-6791)
(U-065)
(U-16965) 11-2A

Mr. R. Garry Carlson
Petro-X Corporation
970 East 3300 South, Suite 5
Salt Lake City, Utah 84106

Re: Change of Operator from First Zone Production, Inc. to Petro-X Corporation

Dear Mr. Carlson:

We have reviewed your request to assume operatorship of all Moab District wells held by First Zone Production, Inc. The BLM, Utah State Office has advised us that a bond in the name of Petro-X has been accepted. We have no objection to this request, and we offer this letter as our approval.

If you should have any questions, please call Eric Jones at (801) 259-6111.

Sincerely yours,

/S/ WILLIAM C. STRINGER

Assistant District Manager,
Mineral Resources

cc:
U-063
U-942

bcc:
Wang Maintenance, Freudiger (delete)

EJones:py 1/23/91 Wang #2897f

Lisha:

Re: our telephone
Conversation Tues. 5/21/91
at 2:15 p.m.

Good Luck!
Vickie

RECEIVED

MAY 23 1991

DIVISION OF
OIL GAS & MINING

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

☐ Well File _____

☐ Suspense
(Return Date) _____
(To - Initials) _____

☒ Other
OPERATOR CHANGE
FILE _____

(Location) Sec _____ Twp _____ Rng _____
(API No.) _____

1. Date of Phone Call: 5-21-91 Time: 1:45

2. DOGM Employee (name) L. ROMERO (Initiated Call ^{XXXX}☐
Talked to:

Name VERLENE BUTTS (Initiated Call ☐ - Phone No. (801) 259-6111

of (Company/Organization) BLM/MOAB

3. Topic of Conversation: OPERATOR CHANGE, LEASE U-03759/FZP 11-3/API 43-019-31296
AND OPERATOR CHANGE, LEASE U-16965/FZP 11-2/API 43-019-31295.

(FIRST ZONE TO PETRO-X).

4. Highlights of Conversation: LEASE U-03759 WAS CHANGED FROM FIRST ZONE TO PETRO-X
EFFECTIVE 1-24-91 (WELL FZP 11-3 WAS NOT LISTED ON BLM PRINTOUT, BUT SHOULD HAVE
BEEN). A CHANGE OF OPERATOR HAS BEEN REQUESTED FOR LEASE U-16965 FROM CC CO.
TO PETRO-X, HOWEVER THE BLM HAS NOT APPROVED AS OF YET. AWAITING A "RIGHT OF WAY".
DO NOT CHANGE UNTIL THE BLM APPROVES.

**5-21-91/2:30 (BLM/MOAB).

AFTER REVIEWING RECORDS IT WAS DISCOVERED THAT LEASE U-16965 WAS CHANGED FROM
CC CO. TO PETRO-X EFFECTIVE 1-24-91, HOWEVER THE BLM DID NOT LIST IT AMONG
THE LEASES THAT WERE AFFECTED BY CHANGE. (SEE ATTACHMENT). VERLENE BUTTS/BLM
WILL MAIL ME AN UPDATED LETTER REFLECTING SUCH. LEASE U-16965 INVOLVES THE WELLS
LISTED BELOW:

FZP 11-2/API 43-019-31295 - FIRST ZONE PROD.(N3255)

CCCO OTHF 7-11/API 43-019-30358 - GRAND RESOURCES (N0010)

CCCO ADAK 11-1A/API 43-019-30259 - CC CO. (N1480)

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:

1- LCR
2- DTS
3- VLC
4- RJF
5- RWM
6- LCR

Attach all documentation received by the division regarding this change.
Initial each listed item when completed. Write N/A if item is not applicable.

☒ Change of Operator (well sold) ☐ Designation of Agent
☐ Designation of Operator ☐ Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 1-24-91)

TO (new operator)	<u>PETRO-X CORPORATION</u>	FROM (former operator)	<u>FIRST ZONE PROD., INC.</u>
(address)	<u>1709 S. WEST TEMPLE</u>	(address)	<u>1709 S. WEST TEMPLE</u>
	<u>SALT LAKE CITY, UT 84115</u>		<u>SALT LAKE CITY, UT 84115</u>
	<u>DEAN CHRISTENSEN</u>		<u>DEAN CHRISTENSEN</u>
	<u>phone (801) 467-7171</u>		<u>phone (801) 467-7171</u>
	<u>account no. N0715</u>		<u>account no. N 3255</u>

Well(s) (attach additional page if needed):

Name: <u>FZP #11-3 TO PETRO-X</u>	API: <u>4301931296</u>	Entity: <u>99998</u>	Sec <u>11</u> Twp <u>21S</u> Rng <u>23E</u>	Lease Type: <u>U-03759</u>
Name: <u>11-3 (LA TO DRL)</u>	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: <u>FZP #11-2 (DRL)</u>	API: <u>4301931295</u>	Entity: <u>99999</u>	Sec <u>11</u> Twp <u>21S</u> Rng <u>23E</u>	Lease Type: <u>U-16965</u>
Name: <u>TO CCCO 11-2A</u>	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: <u>(WELL NAME CHANGES)</u>	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

- X 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). Unable to get sundry notice - see Btm approval.
- X 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). Unable to get sundry - see Btm approval.
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) _____ If yes, show company file number: _____
- See 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- See 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. (6-26-91)
- See 6. Cardex file has been updated for each well listed above.
- See 7. Well file labels have been updated for each well listed above.
- See 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
- See 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) (yes) (If entity assignments were changed, attach copies of Form 6, Entity Action Form). (FZP 11-2/000 11-2A "LA back to Dr1" *99998 to 99999)
2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
2. A copy of this form has been placed in the new and former operators' bond files.
3. The former operator has requested a release of liability from their bond (yes/no) _____. Today's date _____ 19____. If yes, division response was made by letter dated _____ 19____.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated _____ 19____, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
2. Copies of documents have been sent to State Lands for changes involving State leases.

MICROFILMING

1. All attachments to this form have been microfilmed. Date: June 28 1991.

FILED

1. Copies of all attachments to this form have been filed in each well file.
2. The original of this form and the original attachments have been filed in the Operator Change file.

REMARKS

- 910513 Reg. documentation from Dean Christensen (FZ & Petro-X)
- 910521 MSB/Dean Christensen "Reg. documentation."
- 910521 BLM/Moab Approved eff. 1-24-91. (Amended approval letter to follow) Rec'd 5-23-91.

RECEIVED

NOV 27 1991

DIVISION OF
OIL GAS & MINING

Moab District
P. O. Box 970
Moab, Utah 84532

3162 (U-065)
(U-03759)

NOV 25 1991

Petro-X Corporation
1709 South West Temple
Salt Lake City, Utah 84115

Re: Application for Permit to Drill
Well No. FZP 11-3
SW1/4 Sec. 11, T. 21 S., R. 23 E.
Grand County, Utah
Lease U-03759

Gentlemen:

The Application for Permit to Drill the referenced well was approved on May 11, 1990. Since that date, no known activity has transpired at the approved location.

Applications for permit to drill are effective for a period of one year. In view of the foregoing, this office is rescinding the approval of the referenced application.

Should you intend to drill at this location at a future date, a new application for permit to drill must be submitted.

If you have any questions, please contact the Branch of Fluid Minerals at (801) 259-6111.

Sincerely yours,

/s/ WILLIAM C. STRINGER
Assistant District Manager
Mineral Resources

Enclosure:
Application for Permit to Drill

cc: Grand Resource Area (w/o encl.)
State of Utah, Division of Oil, Gas and Mining (w/o encl.) ✓

VButts:vb:11/22/91



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

December 2, 1991

Petro-X Corporation
1709 South West Temple
Salt Lake City, Utah 84115

Gentlemen:

Re: Well No. Petro-X 11-3, Sec. 11, T. 21S, R. 23E, Grand County, Utah,
API No. 43-019-31296

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

Don Staley
Administrative Supervisor
Oil and Gas

DME/lde

cc: R.J. Firth
Bureau of Land Management - Moab
Well file

WOI196